

## End User Technology Fund

## Non-Departmental

## Fund Purpose/ Summary

### Fund Purpose

The End User Technology Fund is an Internal Service Fund established to finance the common technology infrastructure for County users. The Fund is managed on a total cost of ownership basis, and is designed to identify the services provided and resources required by the Information Systems Division to support automation in the user departments. This support includes replacement and maintenance of personal computers and printers, software licensing and support, help desk and training, maintenance of County network hardware and software, backup and recovery functions and other costs related to making technology available to users. This fund also finances the replacement of office copiers. The costs incurred by the fund are charged back to the user departments based on the number of workstations and an assessment of the level of support needed.

### Financial Summary

	2002 Actual	2003 Adopted Budget	2003 Estimate	2004 Budget	Change from 2003 Adopted Budget	
					\$	%
<b>End User Technology Fund</b>						
Personnel Costs	\$752,980	\$757,355	\$746,901	\$851,831	\$94,476	12.5%
Operating Expenses	\$2,053,981	\$2,337,106	\$2,292,941	\$2,153,264	(\$183,842)	-7.9%
Interdept. Charges	\$5,809	\$25,200	\$8,352	\$19,000	(\$6,200)	-24.6%
Fixed Assets (Memo) (a)	\$343,367	\$421,428	\$414,290	\$344,980	(\$76,448)	-18.1%
<b>Total Expenditures (a)</b>	<b>\$2,812,770</b>	<b>\$3,119,661</b>	<b>\$3,048,194</b>	<b>\$3,024,095</b>	<b>(\$95,566)</b>	<b>-3.1%</b>
Interdepartmental (b)	\$1,349,776	\$1,828,978	\$1,859,346	\$2,177,828	\$348,850	19.1%
Other Revenue (c)	\$748,475	\$565,683	\$479,420	\$247,267	(\$318,416)	-56.3%
<b>Total Revenues</b>	<b>\$2,098,251</b>	<b>\$2,394,661</b>	<b>\$2,338,766</b>	<b>\$2,425,095</b>	<b>\$30,434</b>	<b>1.3%</b>
Operating Income/(Loss)	(\$714,519)	(\$725,000)	(\$709,428)	(\$599,000)	\$126,000	17.4%
<b>Tax Levy (d)</b>	<b>\$714,519</b>	<b>\$725,000</b>	<b>\$709,428</b>	<b>\$599,000</b>	<b>(\$126,000)</b>	<b>-17.4%</b>

### Position Summary (FTE)

Regular Positions (e)	9.00	9.00	10.00	10.00	1.00
Extra Help	5.25	4.72	4.37	5.10	0.38
Overtime	0.08	0.00	0.00	0.00	0.00
<b>Total</b>	<b>14.33</b>	<b>13.72</b>	<b>14.37</b>	<b>15.10</b>	<b>1.38</b>

- (a) Total expenditures and net operating income exclude fixed assets to conform with financial accounting standards. Fixed asset purchases in the department operating request will be funded by operating revenues, tax levy and General Fund balance.
- (b) Interdepartmental revenues related to the total cost of ownership charges are being phased in over time to departmental users that may be funded by a combination of revenue sources including tax levy.
- (c) Other revenue includes General Fund balance appropriation of \$1,000,000 in 2002, \$565,683 in 2003, and \$247,267 in 2004 to establish retained earnings to accommodate replacement and maintenance of systems originally funded in capital projects. Other revenue also includes End User Technology Fund balance of \$262,472 in 2002, and \$0 in 2003 and 2004.
- (d) Tax levy within the End User Technology program provides initial funding of the plan for the difference between expenditures and revenues (2002 tax levy: \$735,000).
- (e) Enrolled Ordinance 158-019 created a Senior Information Systems Professional position in 2003 to support the Communications Center operations.

**Departmental Objectives**

1. Continue to reduce seed funding in the End User Technology Fund while continuing to fund the phase-in of charges into user departmental budgets (71% in 2004).
2. Manage expenditure growth to no more than 3% per year (actual 4.4% reduction in the 2004 budget) in the Computer program.
3. Explore and evaluate the expansion of the CITRIX server (mainframe) environment to significantly more users. This could significantly reduce EUTF costs (based on non-personal computer machines), resulting in reduced charge-back costs to departments migrating to this environment.
4. Evaluate the expansion of the usage of the Storage Area Network environment to reduce storage requirements and reduce replacement server costs funded by EUTF.

**Major Departmental Strategic Achievements from 7/01/02 to 6/30/03**

1. Monitored the Computer/Copier Replacement Plan to ensure that department/division user requirements are met.
  2. Provided education on End User Technology Fund operations and procedures to user departments and County Board members for better understanding of the fund's purpose and process in order to have stakeholders provide suggestions and feedback to improve operations.
  3. Continued to review operations to maintain plan of charging departments the full cost of operations by January 1, 2006.
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**Program Description**

This program area provides for the financing of computer equipment repairs, maintenance, countywide software upgrades and replacements, internet and personal computer help desk support, and information systems infrastructure.

	2002 Actual	2003 Budget	2003 Estimate	2004 Budget	Budget Change
<b>Staffing (FTE)</b>	<b>14.33</b>	<b>13.72</b>	<b>14.37</b>	<b>15.10</b>	<b>1.38</b>
Personnel Costs	\$752,980	\$757,355	\$746,901	\$851,831	\$94,476
Operating Expenses	\$1,980,336	\$2,275,059	\$2,209,775	\$2,053,352	(\$221,707)
Interdept. Charges	\$5,809	\$25,200	\$8,352	\$19,000	(\$6,200)
Fixed Assets (Memo) (a)	\$313,146	\$338,000	\$338,000	\$314,500	(\$23,500)
<b>Total Expenditures: (a)</b>	<b>\$2,739,125</b>	<b>\$3,057,614</b>	<b>\$2,965,028</b>	<b>\$2,924,183</b>	<b>(\$133,431)</b>
General Government	\$0	\$0	\$0	\$0	\$0
Interdepartmental (b)	\$1,245,681	\$1,766,931	\$1,760,608	\$2,077,916	\$310,985
Other Revenue (c)	\$758,444	\$565,683	\$479,420	\$247,267	(\$318,416)
<b>Total Revenues:</b>	<b>\$2,004,125</b>	<b>\$2,332,614</b>	<b>\$2,240,028</b>	<b>\$2,325,183</b>	<b>(\$7,431)</b>
<b>Operating Income/(Loss)</b>	<b>(\$735,000)</b>	<b>(\$725,000)</b>	<b>(\$725,000)</b>	<b>(\$599,000)</b>	<b>\$126,000</b>
<b>Tax Levy (d)</b>	<b>\$735,000</b>	<b>\$725,000</b>	<b>\$725,000</b>	<b>\$599,000</b>	<b>(\$126,000)</b>

- (a) Total expenditures and net operating income exclude fixed assets to conform to financial accounting standards. Fixed asset purchases in the departments operating request will be funded by operating revenues, tax levy and General Fund balance.
- (b) Interdepartmental revenues related to the total cost of ownership charges are being phased in over time to departmental users, which may be funded by a combination of revenue sources including tax levy.
- (c) Other revenue includes General Fund balance appropriation of \$1,000,000 in 2002, \$565,683 in 2003, and \$247,267 in 2004 to establish retained earnings to accommodate replacement and maintenance of systems originally funded in capital projects. Other revenue also includes End User Technology Fund balance of \$262,472 in 2002 and \$0 in 2003 and 2004.
- (d) Tax levy within the End User Technology program provides initial funding of the plan.



**Program Highlights**

Budget year 2004 is the fourth year of budgeting under the Total Cost of Ownership (TCO) concept. Charges to user departments in 2004 are approximately 71% of total costs. Departments received additional tax levy support for the phase-in increase in charges that were more than a 3% increase from department's 2003 charges.

Budgeted personnel costs increase from a 1.00 FTE creation of a Senior Information Systems Professional (Enr. Ord. 158-019) at a cost of \$73,500 to support the new Communications Center operations, Computer Aided Dispatch, and Records Management Systems. Personnel costs also increase for the use of additional extra help of 0.38FTE or \$8,700 and are partially offset by an under filling of a Web Administrator position by a Senior Web Analyst for a reduction of \$36,000.

Operating Expenses are reduced by \$188,200 for the cost of computers as the per unit cost is decreasing. Depreciation expense is reduced by \$106,600 based on expensing the computers at the time of purchase due to the low cost. Contracted Service is increased \$77,800 based on planned projects in 2004.

**Activity** The plan is scheduled to replace 238 PC's (including laptops) and 15 peripherals in 2004. The plan currently supports 1,016 personal computers and 94 laptop computers.



Year	1998	1999	2000	2001	2002	2003	2004	03-04 Incr./(Decr.)
PC	61	118	173	333	311	340	238	(102)
Peripherals	74	44	10	17	40	20	15	(5)

Copier

Program Description

This program area provides for the financing of copier equipment replacements in accordance with the replacement plan.



Performance Measures

	2002 Actual	2003 Budget	2003 Estimate	2004 Budget	Budget Change
Percent of Copiers Replaced	19%	21%	26%	21%	0%

Operating Expenses	\$73,645	\$62,047	\$83,166	\$99,912	\$37,865
Fixed Assets (Memo) (a)	\$30,221	\$83,428	\$76,290	\$30,480	(\$52,948)
<b>Total Expenditures</b>	<b>\$73,645</b>	<b>\$62,047</b>	<b>\$83,166</b>	<b>\$99,912</b>	<b>\$37,865</b>
Interdepartmental (b)	\$104,095	\$62,047	\$98,738	\$99,912	\$37,865
Other Revenue (c)	(\$9,969)	\$0	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$94,126</b>	<b>\$62,047</b>	<b>\$98,738</b>	<b>\$99,912</b>	<b>\$37,865</b>
<b>Operating Income/(Loss) (a)</b>	<b>\$20,481</b>	<b>\$0</b>	<b>\$15,572</b>	<b>\$0</b>	<b>\$0</b>
<b>Tax Levy</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

- (a) Total expenditures and net operating income exclude fixed assets to conform to financial accounting standards. Fixed asset purchases in the departments operating request will be funded by operating revenues, tax levy and General Fund balance.
- (b) Interdepartmental revenues are replacement and maintenance cost chargebacks to departmental users that may be funded by a combination of revenue sources including tax levy.
- (c) Other Revenue reflects the disposal and residual value of previously capitalized assets.



Program Highlights

Operating expense increase reflects small equipment expenditures increase of \$31,100 for copier replacements. The department plans to purchase 12 replacement copiers in 2004 that are expected to be below the County capitalization level of \$5,000. Depreciation expense is also increasing by approximately \$5,000 due to new purchases in 2003, and projected purchases in 2004. The replacement schedule for 2004 proposes to replace 15 copiers, of which 3 could exceed the capitalization level. In 2003, one copier was eliminated in Public Works, and one copier each was added in the District Attorney's, Juvenile Court and Corporation Counsel's - Child Support offices.



Activity

	2002 Actual	2003 Budget	2003 Estimate	2004 Budget	Budget Change
Copier Purchases					
Total Number of Units in Plan	72	72	72	74	2
Units Purchased Annually	14	15	19	15	0